

## Message Text

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44

ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 EB-07 AGR-10 /028 W

----- 080183

R 261235Z AUG 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 1141

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMCONSUL PORTO ALEGRE

UNCLAS BRASILIA 7430

E.O.11652: N/A

TAGS: BEXP, BR

SUBJECT: TRADE PROMOTION EVENT SCHEDULE FY-1976

REF: A. STATE 188868 B. RIO A-36 C. A-145

### SUMMARY

EMBASSY WELCOMES COMMERCE'S IMPROVED BUDGET POSITION. WE QUESTION EFFECTIVENESS OF TWO OF EVENTS SUGGESTED REF. A), NAMELY BUSINESS EQUIPMENT EXHIBITION AND SHIPBUILDING/SHIP NAVIGATION TRADE MISSION. HOWEVER, EMBASSY IS HAPPY TO CONSIDER ALTERNATIVES AND WILL BE SUGGESTING SEVERAL IN NEAR FUTURE. SPECIFIC COMMENTS FOLLOW BELOW:

#### 1. POLLUTION CONTROL EQUIPMENT (PCE) TRADE MISSION.

WE ARE PLEASE COMMERCE MOVED DATE UP BUT STRONGLY RECOMMEND RESCHEDULING TO LATE MARCH BECAUSE OF VACATION/CARNIVAL PERIOD. IT IS ONLY AFTER VACATION ENDS AND SCHOOL REOPENS (EARLY MARCH) THAT NORMAL BUSINESS RHYTHM RESUMES AFTER SUMMER LULL. ACTION UNDER FY 76 CCP CAMPAIGN WORKSHEET NO. 1.6 WILL NEED BE TELESKOPED IN VIEW OF EARLIER DATE. SPECIFICALLY, ACTION TO DETERMINE BEST TYPES OF PCE WILL NEED BE ACCELERATED. INCLUSION OF PORTO ALEGRE OR BELO HORIZONTE, TWO CITIES WHERE POLLUTION AWARENESS VERY HIGH, SHOULD BE CONSIDERED.

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#### 2. AVIATION EQUIPMENT TECHNICAL SALES SEMINAR. BOTH CAMPAIGN

MANAGERS AND FAA REP AGREE THAT TRADE MISSION MADE UP OF AVIATION SUPPORT EQUIPMENT MANUFACTURERS RATHER THAN TECHNICAL SALES SEMINAR (TSS) WOULD BE MORE APPROPRIATE VEHICLE FOR THIS CAMPAIGN OBJECTIVE. MARKET IN BRAZIL FOR EQUIPMENT OF THIS TYPE SHOULD BE GOOD OVER SHORT TERM FOR SALES. FIVE HUNDRED SMALL AIRCRAFT WERE IMPORTED INTO BRAZIL DURING CY 1974 BEFORE IMPORT RESTRICTIONS IMPLEMENTED (SEE REF. B). OVER MEDIUM TO LONG-TERM PROSPECTS SHOULD BE GOOD FOR MANUFACTURING UNDER JOINT VENTURE OR LICENSING AGREEMENTS. PROPERLY RECRUITED TRADE MISSION WOULD BE FAR MORE VALUABLE TOOL THAN TSS WHICH WE FEAR MIGHT BE POORLY ATTENDED BECAUSE OF ABUNDANCE OF TECHNICAL INFORMATION ALREADY AVAILABLE LOCALLY.

3. BUSINESS EQUIPMENT EXHIBITION. WE RECOMMEND AGAINST AN EXHIBITION AS PLANNED BY USDOC AS WE DOUBT IT WOULD HAVE DESIRED IMPACT. ACCORDING TO RECENT MARKET STUDY CURRENTLY UNDER REVIEW IN USDOC, US SHARE OF MARKET DEPENDS ON CORPORATIONS WHICH THROUGH THEIR SUBSIDIARIES ACCOUNT FOR MORE THAN 75 PERCENT OF BRAZILIAN MARKET. IN ADDITION, BUSINESS EQUIPMENT IMPORTS WOULD BE AFFECTED BY BRAZILIAN IMPORT RESTRICTIONS. DECREE NO. 74,908 LIMITING PUBLIC SECTOR IMPORTS APPLIES TO THIS CATEGORY. ALSO, RESOLUTION 331 (IMPORT DEPOSIT REQUIREMENT) APPLIES TO A NUMBER OF PRODUCTS THIS CATEGORY INCLUDING BUT NOT LIMITED TO: TYPEWRITERS, DUPLICATING MACHINES, LETTER HANDLING AND ADDRESSING MACHINES, AND COIN AND CURRENCY HANDLING MACHINES. POSSIBLE ALTERNATIVE WITH SIMILAR PRODUCT THEME WOULD BE SMALLER EXHIBITION IN FUSE OF SOPHISTICATED BUSINESS SYSTEMS INCLUDING SOFTWARE AND HARDWARE SUCH AS INVENTORY CONTROL SYSTEMS, POINT-OF-SALE COMPUTERS, ETC.

4. FOOD PROCESSING EQUIPMENT CATALOG SHOW. SUGGEST PORTO ALEGRE BE INCLUDED. BOTH IN SAO PAULO AND PORTO ALEGRE CATALOG SHOW WOULD BE USED TO PROMOTE AGRICULTURAL EXHIBITION.

5. AGRICULTURAL/AGRI-BUSINESS MACHINERY AND EQUIPMENT EXHIBITION.

WE CONSIDER THIS ONE OF THE MOST IMPORTANT PROMOTION EVENTS ON OUR SCHEDULE.

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6. SHIPBUILDING AND SHIP NAVIGATION TRADE MISSION.

SUGGESTION FOR THIS TRADE MISSION WAS ORIGINALLY MADE IN NOVEMBER, 1974 (REF. C) FOLLOWING SERIES OF REPORTS ON BRAZIL'S 1974-79 SHIPBUILDING PLAN. WITH A PROJECTED DATE FOR TRADE MISSION OF SEPTEMBER 1976, WE HAVE SERIOUS DOUBTS AS TO HOW EFFECTIVE SUCH A TRADE MISSION WILL BE AT A TIME WHEN MANY DECISIONS HAVE ALREADY BEEN MADE AND ORDERS PLACED. WE WILL REVIEW POTENTIAL

FOR US EXPORTS IN SHIPBUILDING SECTOR BUT AT THE MOMENT CANNOT  
SUPPORT PROPOSAL FOR TRADEMISSION.

7. RE PARA. 2 OF REF. A, COSTS FOR USE SAME MECANICA:  
US\$50.00 PER SQ. METER FOR SPACE PLUS US\$25.00 PER SQ. METER  
FOR STAND.  
CRIMMINS

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Comment:**  
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**Enclosure:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 188868, 75 RIO DE JANEIRO A-36, 75 RIO DE JANEIRO A-145  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ellisoob  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 JAN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <30 JAN 2003 by ReddocGW>; APPROVED <13 JAN 2004 by ellisoob>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TRADE PROMOTION EVENT SCHEDULE FY-1976  
**TAGS:** BEXP, BR  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006